

Longwoods
INTERNATIONAL

Longwoods
R.C. EYE™

Communication insight for the bottom line



PURE *M*ICHIGAN®

Longwoods International



- ◉ Established in 1978 as a strategic research consultancy
- ◉ Leader in measuring and optimizing campaign ROI
- ◉ Tourism experience spans 25 years
- ◉ Research conducted for clients throughout the Americas, Europe and Asia

Client Experience: Travel Sector



HAWAII
The Islands of Aloha

PURE MICHIGAN

 **ExperienceWA.com**
Washington State Tourism

MONTANA

Ohio
The State of Perfect Balance

I ♥
NY

Maine
There's More To Maine



TRAVEL  **OREGON**

IDAHO

 **pennsylvania**
STATE OF INDEPENDENCE

RHODE ISLAND


MARYLAND



North Dakota
LEGENDARY

 **ARIZONA**



West Virginia
Wild and Wonderful

north carolina

Canada 

Colorado

Arkansas
THE NATURAL STATE

Virginia ♥
is for Lovers

Travel Sector: Cities and Regions



PHILADELPHIA
and The Countryside™


DENVER
The Mile High City


Niagara
USA


niagara

washington
DC
CREATE YOUR OWN POWER TOP AT WASHINGTON.ORG


Kansas City

I ♥
NY


Tampa Bay
CONVENTION
& VISITORS
BUREAU


Baltimore


Michigan's West Coast

SYRACUSE
NEW YORK

THE CITY OF
Edmonton

Think Summer.
Think Vail.


Vail.


NEW ORLEANS

LAKE PLACID REGION is... **ADIRONDACK™**

Finger Lakes Wine Country
NEW YORK

Louisville
DO SOMETHING ORIGINAL.

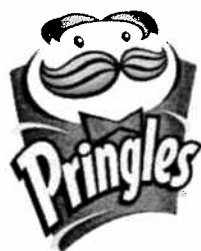
Client Experience: Other Categories



NAVY



P&G
Procter & Gamble



CLAIROL



Crest



COVERGIRL



FARMERS



RBC
Royal Bank

Milestones



1976

- Bell Canada
- Multimillion dollar field experiment to measure advertising ROI

1985

- Travel & Tourism
- Conducts largest-ever study of U.S. travel market

1988 -
1990

- U.S. Dept. Of Commerce Task Force
- Set standards and guidelines for advertising accountability

1990

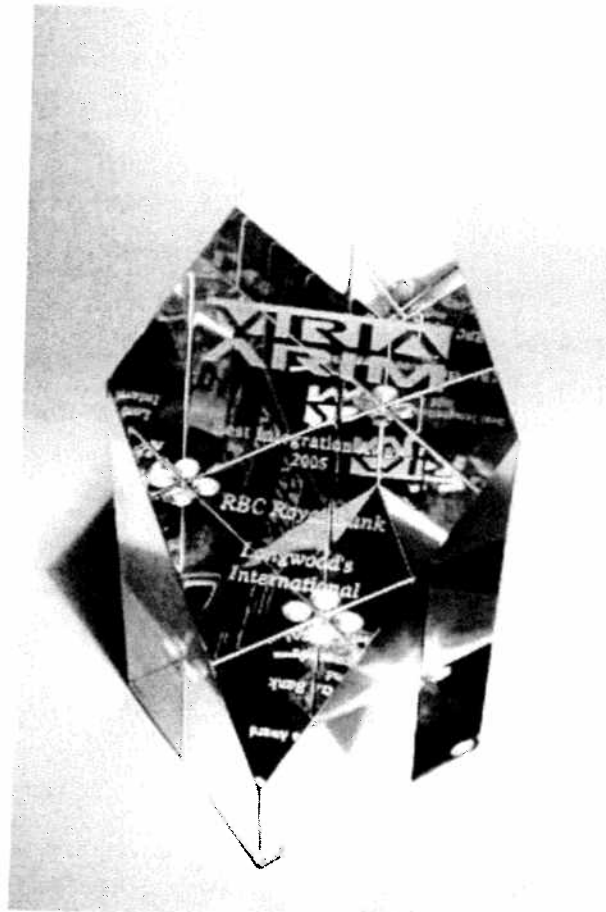
- Launch of Longwoods **R.O.Eye™** with destination clients

2003 -
2005

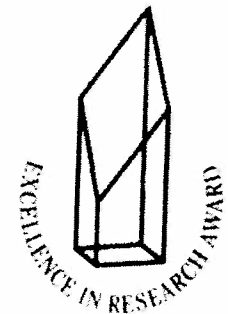
- Destination Marketing Association International
- Performance Measurement Handbook for CVBs

2004

- Launch of Longwoods **R.O.Eye™** for private sector
- Enhanced metrics, holistic analysis, optimization



- Methodology refined and validated since 1990
- Intense scrutiny of findings
- Multiple peer awards for best practices



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Evaluating Michigan's Tourism Advertising Campaigns



- ⊙ Annual tracking since 2004
- ⊙ Large scale surveys in Michigan's target markets:
 - ⊙ *Great Lakes region in all years*
 - ⊙ *"Pure Michigan" measured nationally in 2009*
- ⊙ Conservative control procedures to back out trips that would have occurred without advertising

Campaign Summary: Regional Markets



	Advertising Investment (Millions)	Trips Generated	New Visitor Spending (Millions)	State Taxes Generated (Millions)	ROI
2004	\$ 3.52	990,000	\$ 164	\$ 11.52	\$ 3.27
2005	\$ 3.39	889,000	\$ 165	\$ 11.60	\$ 3.43
2006	\$ 6.22	698,000	\$ 188	\$ 13.11	\$ 2.11
2007	\$ 6.85	1,255,000	\$ 287	\$ 20.12	\$ 2.94
2008	\$ 6.37	1,137,000	\$ 270	\$ 18.92	\$ 2.97
Total	\$ 26.35	4,969,000	\$ 1,074	\$ 75.27	\$ 2.94

2009 Spring/Summer Campaign



- ⊙ Continuation of the **Pure Michigan** advertising campaign in regional markets:
 - ⊙ *Chicago IL, Cleveland OH, Southern Ontario, Cincinnati OH, St. Louis MO, Indianapolis IN, Columbus OH, Milwaukee WI, Dayton OH, Akron OH and Canton OH.*
 - ⊙ \$4.4 million ad expenditure
- ⊙ The launch of the **Pure Michigan** campaign nationally.
 - ⊙ \$7.8 million ad expenditure
 - ⊙ Made possible by one-time total marketing budget of \$30 million

Research Objective



- ◉ The purpose of this research was to provide:
 - ◉ *strategic insights about the image of Michigan and its key competitors with respect to key destination choice factors;*
 - ◉ *an evaluation of the impact of the 2009 campaign on both:*
 - ◉ *short of sales measures:*
 - ◉ *advertising awareness, image*
 - ◉ *bottom line measures*
 - ◉ *travel to Michigan*
 - ◉ *traveler spending in Michigan*
 - ◉ *state and local taxes related to that spending*
 - ◉ *return on the advertising investment (ROI)*

Method



- ⊙ Representative sample of adult travelers residing in the U.S.
 - ⊙ *'Travelers' means respondents had taken a day and/or overnight pleasure trip anywhere in the past 3 years and intend to take another in the next 2 years.*
- ⊙ Conducted via a major online consumer panel which is demographically balanced to represent the U.S. population.
 - ⊙ *1,594 individuals responded to the research from Michigan's regional marketplace*
 - ⊙ *1,500 individuals responded to the research from the rest of the nation for a total sample size of 3,094.*
 - ⊙ *At the 95% confidence level, the margin of error is +/- 2%*

Questionnaire

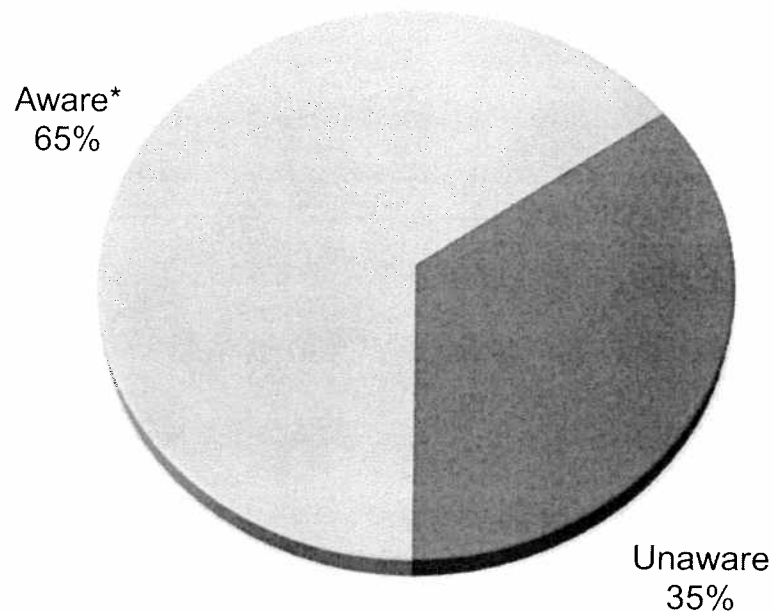


- The questionnaire addressed three key areas:
 - ***Michigan's Image as a Travel Destination***
 - *Respondents rated Michigan and selected competitive states across an extensive list of characteristics or attributes.*
 - ***Travel to Michigan***
 - *Respondents reported the number of day and overnight trips they took to Michigan during and shortly after the advertising campaign.*
 - ***Advertising Awareness***
 - *Individual ads from the 2009 campaign were exposed and respondents reported recall of each.*

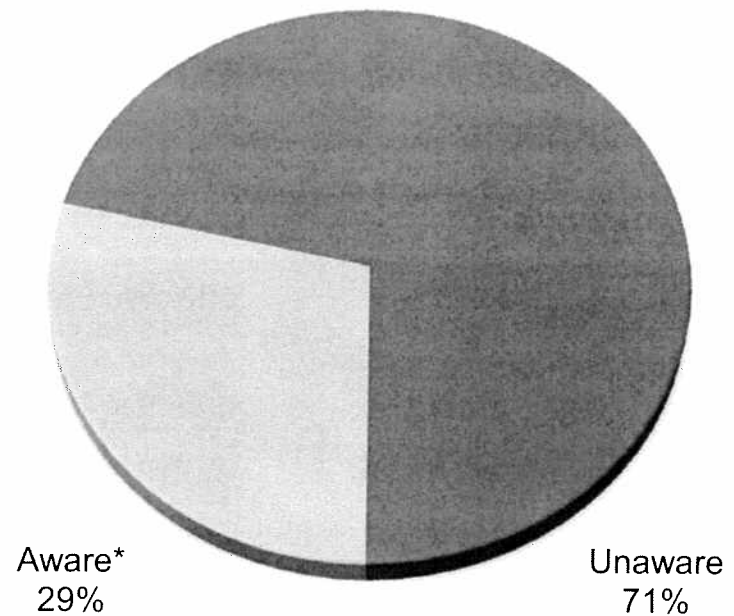
Awareness of the Ad Campaign



Regional Market

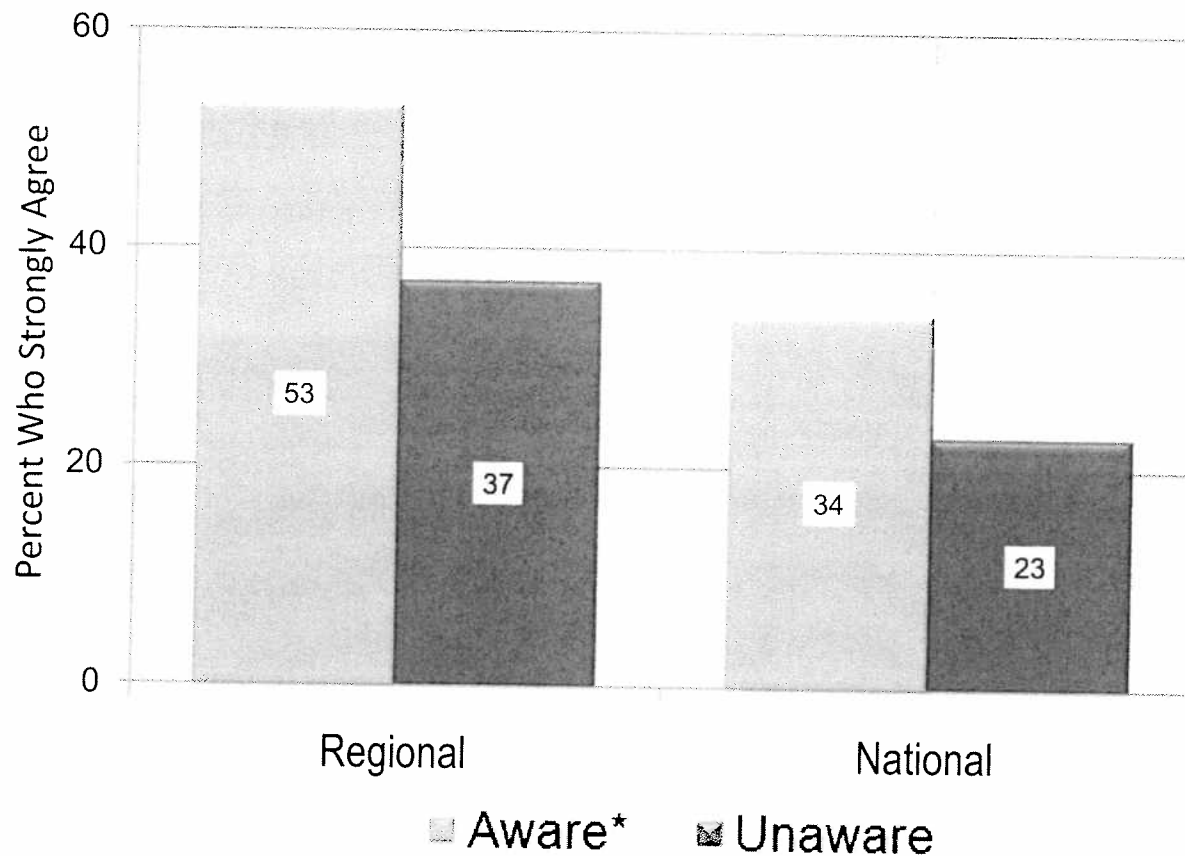


National Market



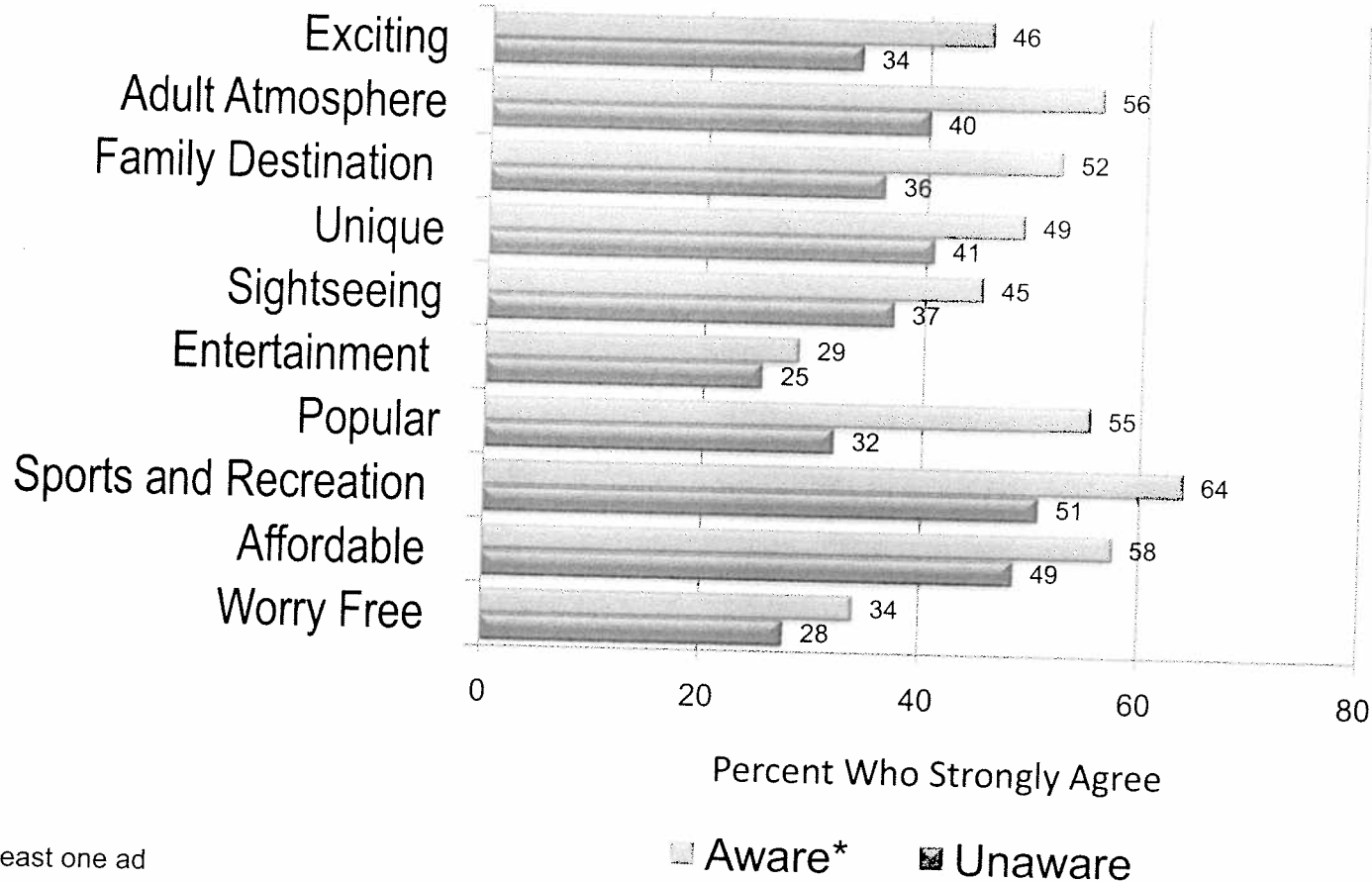
*Saw at least one ad

Impact on Overall Image: “Would Really Enjoy Visiting Michigan”



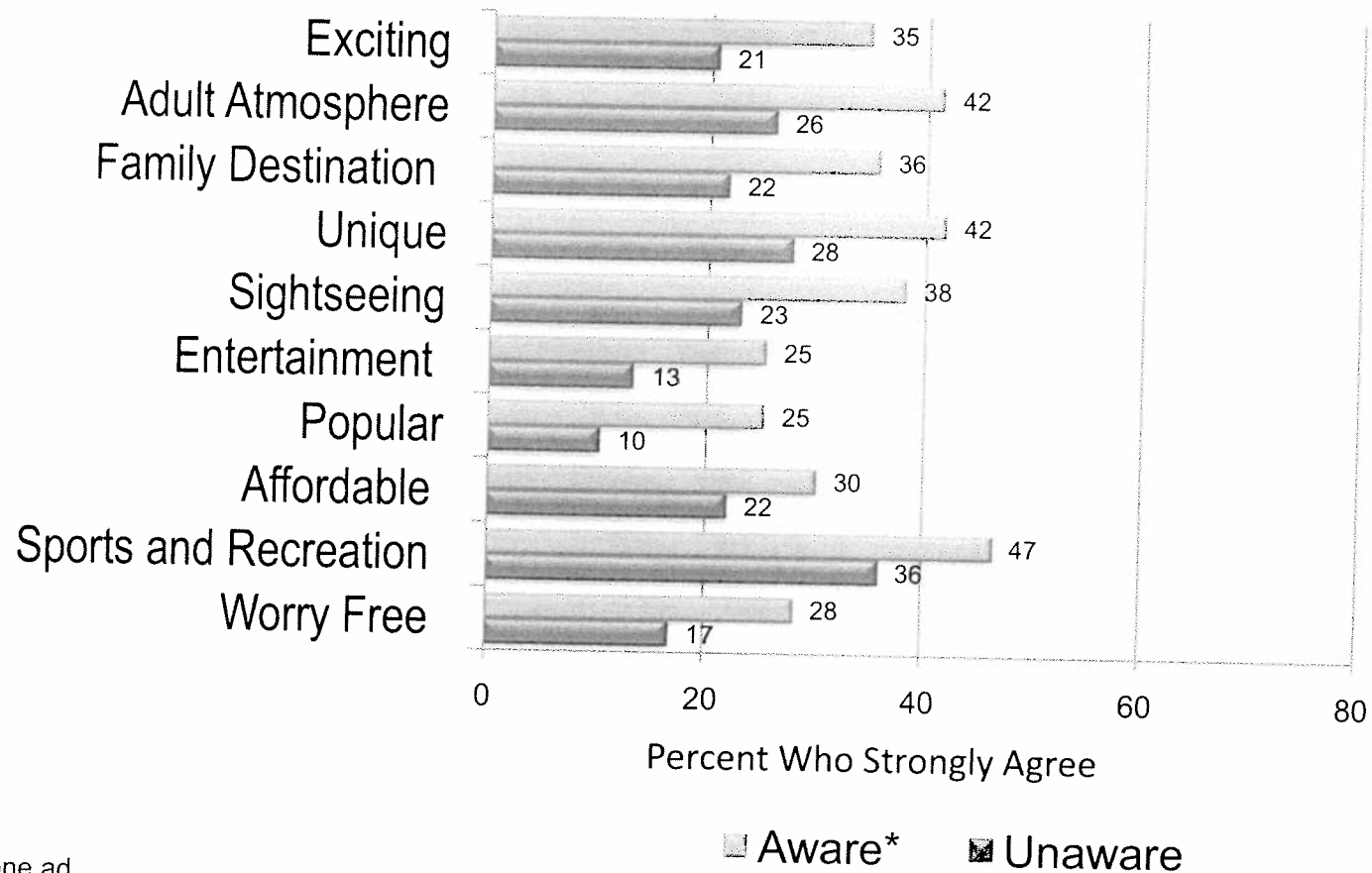
* Saw at least one ad

2009 Impact of Advertising on Michigan's Image: Regional Market



* Saw at least one ad

2009 Impact of Advertising on Michigan's Image: National Market



* Saw at least one ad

Calculating ROI



- ◉ *The **Longwoods R.O.EYE™** method quantifies the relationship between awareness of campaign elements and trip taking.*
- ◉ *A baseline measure is generated to estimate the level of visitation that would have occurred in the absence of advertising activity.*
- ◉ *Using the principles and techniques of experimental design, we control for the effects of internal and external factors that could otherwise influence the result.*

Fundamental Principles

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Experimental
Design

Control

Conversion

Single Source Data

Campaign Efficiency



	Regional	National
Advertising Investment	\$4.42 Million	\$7.82 Million
Incremental Trips	1,265,000	1,085,000
Cost per Trip	\$3.50	\$7.21

Incremental Visitor Spending & Taxes Due To Advertising



	Regional	National
Spending	\$338 Million	\$250 Million
State Taxes	\$23.6 Million	\$17.5 Million

The Bottom Line: Short-Term Impact of 2009 Campaign



	Regional	National
Spending Per Ad \$	\$76	\$32
Taxes Per Ad \$	\$5.34	\$2.23

Building the Future: 2010 Travel Intentions Due to 2009 Campaign



	Regional	National
Incremental Planned Trips to Michigan	1.16 Million	4.36 Million

How Believable Are These Numbers?



Hawaii: "Cut to Zero!"



Hawaii Governor's Accountability Task Force



In Summary



- ◉ Award-winning methodology for measuring ROI
- ◉ A conservative, credible rationale for budget decisions
- ◉ Diagnostics for increasing future campaign ROI
- ◉ Moves research from the back room to the board room

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